

## **811 KAR 2:040. Owners.**

RELATES TO: KRS 230.610-230.770

STATUTORY AUTHORITY: KRS Chapter 13A

NECESSITY, FUNCTION, AND CONFORMITY: To regulate conditions under which Arabian, quarter horse and appaloosa racing shall be conducted in Kentucky. The function of this administrative regulation is to outline the requirements for owners.

Section 1. License Required. No horse may be entered or raced in this state unless the owner or each of the part owners has been granted a current owner's license; except that, the commission may, through its licensing committee as provided by 811 KAR 2:020, cause a temporary license to be issued which will be valid for entering and racing pending administrative processing and final action by the commission on such owner's license application, but in no event shall such temporary license be considered valid later than two (2) weeks after such license application was submitted.

Section 2. Requirements for Owner's License. (1) In addition to rules applicable to licensees under 811 KAR 2:020, a holder of an owner's license:

(a) Must be an individual person, eighteen (18) years or older; provided, however, the commission may grant an owner's license to a person less than eighteen (18) years of age who is a son or daughter of a licensed owner in this state, if the parent thereof holding an owner's license in this state files with the license application of such minor an agreement whereby such parent assumes responsibility for meeting all financial, contractual, or other obligations relating to racing of such applicant son or daughter.

(b) Must carry workmen's compensation insurance covering employees in connection with racing as required by Kentucky law.

(c) Must own or have under lease a horse eligible to race, and be prepared to prove same upon call of the stewards.

(d) Must not engage in an activity directly or indirectly involving the racing performance of horses on association grounds owned by others.

(2) The commission may deny, suspend, or revoke an owner's license for the spouse, or any member of the immediate family or household, of a person ineligible to be licensed as an owner, unless, there is a showing on the part of the applicant or licensed owner, and the commission so finds, that his participation in racing as an owner will in no way circumvent the intent of the rule by permitting a person, under the control or direction of a person ineligible for an owner's license, to serve in essence as a substitute for such eligible person.

(3) A licensed owner or trainer may personally serve as a farrier or jockey for horses he owns or are registered as in his care, provided he has received from the stewards a certificate of said licensee's fitness as a competent farrier or jockey.

Section 3. Ownership Disclosure. (1) Licensed owners and licensed trainers shall be held jointly responsible for making a full disclosure of the entire ownership of each horse in their care.

(2) Such disclosure shall identify in writing all individual persons who directly, or indirectly, through a lien, or a lease, or partnership, or corporate stockholding, or syndication, or other joint venture, hold any present or reversionary right, title, or interest in and to such horse, and those individual persons who by virtue of any form of interest might exercise control over such horse or can benefit from the racing of such horse; the degree and type of such ownership held by each individual person shall be designated.

(3) Such disclosure shall be made when registering each horse with the racing secretary upon arrival on association grounds, or at time of entry, whichever event occurs first, and shall be revised

immediately upon any subsequent change in such ownership.

(4) Such disclosure together with all written agreements, and affidavits setting out oral agreements, pertaining to the ownership of or rights in and to a horse, shall be attached to the registration certificate for such horse and filed with the racing secretary, who shall be responsible for the care and security of such papers while such horses thereunto pertaining are located on association grounds.

(5) Such disclosure is made for the benefit of the public and all documents pertaining to the ownership or lease of a horse filed with the racing secretary shall be available for public inspection.

(6) The stewards shall review the ownership of each horse entered to race and insure each registration certificate is properly endorsed by the transferor to the present owner. The stewards may determine the validity for racing purposes of all leases, transfers, and agreements pertaining to ownership of a horse; and may call for adequate evidence of ownership at any time. The stewards may declare ineligible to race any horse, the ownership or control of which, is in question.

Section 4. Joint Ownership. (1) No more than four (4) individual persons may be licensed as owners of a single horse.

(2) In the event more than four (4) individual persons own interests in a single horse, through a partnership, or corporation, or syndication, or other joint venture, then such individual persons may designate in writing a member of the partnership, corporation, syndicate, or joint venture to represent the entire ownership of and be responsible for such horse.

(3) Such agreement, or lease, shall accompany the application for an owner's license. Each person designated as representing the entire ownership of a horse must be licensed.

(4) The commission may deny, suspend, or revoke the license of any owner whose ownership of a horse is qualified or limited in part by rights or interest in or to such horse being held or controlled by any other individual person or persons who would be ineligible to be licensed as an owner under 811 KAR 2:020.

Section 5. Program Listing of Owners. Names of all individual persons licensed as owners of each horse shall be listed in the daily program; if space limitations preclude listing of first names, then at least two (2) initials shall precede surnames. Stable names, or corporate names, registered in other racing jurisdictions may be shown parenthetically if space limitations permit. Lessees licensed as owners shall be designated on the program as lessee of each leased horse.

Section 6. Leases. Horses may be raced under lease provided the lease agreement is annexed to the horse's registration certificate and is approved by the stewards. Validity of a lease for the purposes of racing a horse in this state may be suspended temporarily or voided by the stewards at any time. No lease may be approved by the stewards for racing purposes unless:

(1) Lessee is licensed as an owner.

(2) Each of the signatures of the lessors and lessees on the lease agreement is subscribed and sworn to before a notary public.

(3) Term of the lease is no less than one (1) year, unless sooner terminated by claim or retirement of subject horses.

(4) Conditions of the lease specify, as to parties to the lease, whether the subject horse can be entered in a race to be claimed. If agreeable to lessor that the subject horse may be entered to be claimed, conditions of the lease must specify the minimum price for which the subject horse can be entered, the name of the payee of claiming price.

(5) Conditions of the lease specify that upon claim of subject horse the lease shall terminate and all rights in and to such horse shall pass to claimant as a bona fide purchaser.

(6) After reviewing the full ownership of such leased horses, and the interests of all persons in-

volved in such lease, and the term and conditions of such lease, the stewards in their discretion find that such lease:

(a) Completely divests lessors or sublessors of further control or direction of the racing performance of such horse while under lease; and

(b) The resultant program-listing of lessee would not mislead the betting public by reason of the absence in the program-listing of the name of a person or persons possessing a beneficial interest in such leased horse.

Section 7. Racing Colors. (1) If track colors are not provided, owners shall be responsible for designing and providing individual racing colors, consisting of jackets and caps of distinctive color and pattern to be worn by jockeys during a race, such racing colors to be registered with the commission.

(2) Racing colors must be registered annually, application therefor to accompany application for an owner's license.

(3) Registration of racing colors shall be at the discretion of the commission. Disputes as to rights to particular racing colors shall be determined by the commission. The commission may refuse to accept for registration racing colors which:

(a) Are not readily distinguishable by color and pattern from racing colors currently registered in this state or with the Jockey Club;

(b) Include advertising, promotional, or cartoon symbols or words, or which, in the opinion of the commission, are not in keeping with the traditions of the turf.

(4) No horse may be raced in racing colors other than those registered in the name of the horse's owner without special permission of the stewards. If an owner races two (2) or more horses in the same race, jackets shall be identical while caps shall be varied in color or design. Any deviation from registered colors granted by the stewards shall be immediately posted on the public notice board.

(5) Owners and trainers shall be jointly responsible for the condition of racing colors, insuring that they are neat, clean, and in good repair, and that an adequate number of sets of racing colors are placed in the care of the clerk of scales.

(6) The clerk of scales, and the valet serving a jockey, shall be jointly responsible for having the correct jacket and cap on each rider when leaving the jockey room for the paddock.

Section 8. Employees Licensed. No owner or trainer may employ or contract with an unlicensed person to perform an activity on association grounds for which a license is required. An owner shall immediately notify the racing secretary upon change of trainer during a race meeting.

Section 9. Authorized Agent. A licensed owner may, as a principal, authorize any person, as an agent, to act in such owner's behalf in all matters pertaining to racing in this state and ownership of horses on association grounds, provided by 811 KAR 2:020. A licensed owner, as a principal, shall be jointly liable and responsible with his licensed authorized agent for all acts and omissions of such authorized agent serving in such owner's behalf in a racing matter, until written notification from such owner revoking such agency is received by the commission.

Section 10. Suspension. In the event the license of an owner is suspended or revoked, all horses owned wholly or in part by such owner shall not be permitted to race during such suspension unless such horses are transferred to a licensed owner, and such transfer is approved by the stewards as completely divesting of such suspended former owner of control of or benefit from the subsequent racing of such horses.

Section 11. Partnerships. (1) Partnerships must be registered with the commission. Partnership papers shall set forth the following:

- (a) The name and address of every person having an interest in the horse or horses involved.
  - (b) The relative proportion of such interests.
  - (c) To whom the winnings are payable.
  - (d) In whose name the horse or horses shall run.
  - (e) With whom the power of entry and declaration rests.
  - (f) The terms of any contingency, lease, or any other arrangement.
  - (g) The names of the horse or horses involved.
- (2) Any partner transacting business on behalf of a partnership must own an interest therein at least equal to that owned by any other partner.
- (3) All partnership registrations must be signed by all of the partners or by their authorized agent.
- (4) Any alteration in a recorded partnership must be reported in writing to the commission and signed by all the partners, or their authorized agent.
- (5) All the parties in a partnership and each of them shall be jointly and severally liable for all stakes, fees, and other obligations. (Recodified from 812 KAR 1:040, 6-10-87; Am. 14 Ky.R. 1670; eff. 3-10-88.)